

Title: Need to strengthen Cooperative Banks by providing financial assistance-Laid.

SHRI K. YERRANNAIDU (SRIKAKULAM) : The Government of India should encourage Co-operative Banks by assisting them for sustenance as they are serving 11 crore farmers. The Government of India in the past have given Rs. 25,000 crores to Commercial Banks for re-vitalisation. The Co-operative Banks also need assistance in view of liberalisation. Just like Banking reforms for which the Government gave assistance, so also the co-operative banks need reforms. The Jagdish Kapoor Committee set up by the Government in 1999 submitted their recommendations on 27th July, 2000 and subsequently the Government constituted a Committee consisting of representatives of State Governments, Financial Institutions and national level federation to go through the recommendations. That Committee recommended for acceptance of the report but there is no mention in the Budget for uplifting the Co-operative Banks whose role in rural development is very vital. In the last Budget, the Finance Minister assured that funds would be released through NABARD and modalities would be decided by Jagdish Kapoor Committee. As nothing has been done so far, I urge upon the Government to take steps for reforms in Co-operative Banks through one time assistance to the tune of only Rs. 7500 crores for re-vitalisation of the Banks.